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Request for the inclusion of an item in the provisional agenda of the sixty-seventh session

Observer status for the Andean Development Corporation in the General Assembly

Letter dated 6 July 2012 from the Permanent Representative of Colombia to the United Nations addressed to the Secretary-General

Acting upon instructions from my Government and pursuant to rule 13 of the rules of procedure of the General Assembly, I have the honour to request the inclusion, in the provisional agenda of the sixty-seventh session of the General Assembly, of an item entitled "Observer status for the Andean Development Corporation in the General Assembly".

In accordance with rule 20 of the rules of procedure of the General Assembly, attached hereto are an explanatory memorandum, the text of the Agreement establishing the Andean Development Corporation and a draft resolution.

I would like to request that this letter and its annexes be circulated as a document of the General Assembly.

(*Signed*) Néstor **Osorio**
Ambassador
Permanent Representative

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Annex I

Explanatory memorandum

I. Historical background

1. The Andean Development Corporation (CAF) is an international financial agency of an intergovernmental nature that was established in 1970. It is made up of a large number of Latin American and Caribbean States and two European countries. It is headquartered in Caracas and it has permanent offices in Buenos Aires, La Paz, Brasilia, Bogotá, Quito, Madrid, Panama City, Lima and Montevideo.

2. Pursuant to article 1 of the Agreement, CAF is a legal entity under public international law governed by the provisions of that instrument.

3. It was established by a group of South American States prompted by the mutual desire to secure, as quickly as possible, the economic integration of their countries in order to speed up their economic and social development. It plays an anti-cyclical and catalytic financial role and has become the main source of financing for infrastructure projects in South America and an important generator of knowledge for the region.

II. The Instrument establishing CAF and amendments thereto

4. The Agreement establishing the Andean Development Corporation (CAF) was signed in Bogotá on 7 February 1968 by the Governments of Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela; it entered into force on 30 January 1970.

5. On 24 October 2005, a protocol amending the Agreement was signed; it entered into force on 9 July 2008. Pursuant to that Protocol, the Agreement was opened to accession by other countries.

6. In addition to the Protocol of 2005, the Agreement establishing CAF has been amended several times through successive decisions of the CAF Assembly. The annex to the Agreement contains a complete list of these amendments.

III. Members

7. Currently the following 18 countries are members of CAF:

Argentina
Bolivia (Plurinational State of)
Brazil
Chile
Colombia
Costa Rica
Dominican Republic
Ecuador
Jamaica
Mexico
Panama
Paraguay
Peru
Portugal
Spain

Trinidad and Tobago
Uruguay
Venezuela (Bolivarian Republic of)

IV. Purpose and functions

8. Pursuant to article 3 of the Agreement, CAF seeks to promote sustainable development and regional integration by efficiently mobilizing resources for the timely provision of multiple financial services that have a high added value to clients in the public and private sector of member countries.

9. Article 4 provides that, in order to achieve said objective, the functions of CAF shall be to:

(a) Carry out studies in order to identify investment opportunities and to direct and prepare the corresponding projects;

(b) Disseminate, to countries in the area, the results of its investigations and studies with a view to directing the investment of available resources;

(c) Provide, directly or indirectly, technical and financial assistance for the preparation and implementation of multinational or complementary projects;

(d) Obtain internal or external credit;

(e) Issue bonds, debentures and other instruments which can be placed within or outside the countries that are shareholders;

(f) Encourage the raising and mobilization of resources;

(g) Encourage contributions of capital and technology under the most favourable conditions;

(h) Grant loans and authorize deposits, collateral and other guarantees;

(i) Encourage the granting of underwritings and to authorize them where they meet the proper conditions;

(j) Encourage the organization of enterprises, their expansion, modernization, or conversion, issuing shares or stocks for that purpose. CAF may transfer shares, stocks, rights and bonds it acquires and offer them first to public or private entities in the countries that are shareholders and, if they have no interest, to third parties interested in the economic and social development of those countries;

(k) Carry out, under conditions to be determined by it, specific assignments or actions related to its purpose, as instructed by its shareholders or third parties;

(l) Coordinate its activities with that of other national and international entities for the development of countries that are its shareholders;

(m) Recommend the necessary coordination mechanisms for entities or agencies in the area that provide investment resources;

(n) Acquire and dispose of movable property and real estate, to initiate or contest legal and administrative actions and, generally, to engage in any kind of operation, action, contract or agreement required for the accomplishment of its aims.

V. Structure and international staff

10. In order to carry out its functions CAF shall consist of the following bodies:

- A Chamber of Shareholders which will operate as stated in articles 11 to 22 of the Agreement;
- A Board whose composition and functions shall be regulated by articles 23 to 30 of the Agreement;
- An Executive President (articles 31 to 35 of the Agreement); and
- Several Vice Presidents (article 46 of the Agreement).

11. Article 39 of the Agreement reads as follows:

Article 39. *International nature of the staff*

In the performance of their duties, staff shall not seek nor shall they receive instructions from any Government or any authority outside the Corporation. They shall refrain from any action that is inconsistent with their status as international civil servants answerable only to the Corporation.

VI. Observer status in the United Nations General Assembly

12. CAF is an intergovernmental financial agency that is dedicated to promoting regional integration and to strengthening an international presence in the Latin American region and to participate actively in the building of a world community characterized by multilateralism, the rule of law and international peace and solidarity. CAF and its member States adhere fully to the purposes and principles set forth in the Charter of the United Nations.

13. Bearing in mind the clear complementarity of purposes between CAF and the United Nations, granting CAF observer status in the General Assembly would have the effect of initiating a mutually beneficial institutional dialogue. It would also make it possible to encourage coherence of efforts and would pave the way for future cooperation in a broad range of areas. Lastly, if it was granted observer status it would make it easier for CAF to promote initiatives aimed at fostering and strengthening the integration and development of South American countries.

Annex II

Draft resolution

Observer status for the Andean Development Corporation in the General Assembly

The General Assembly,

Wishing to promote cooperation between the United Nations and the Corporación Andina de Fomento,

1. *Decides* to invite the Corporación Andina de Fomento to participate as an observer in the sessions and work of the General Assembly;

2. *Requests* the Secretary-General to take the necessary steps to implement this resolution.